

Money makes the world go round: how the Greek invention of money changed everything

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The touch of Midas, the Phrygian king, was said to have turned everything to gold, even his food. Aristotle took this as illustrating the uselessness of money, of which one can have a huge amount and still starve. We can add a psychological significance: the perception of valuable things in terms of money is even more pronounced in our age than it was in his (excited reaction to a Michelangelo: 'that is worth \$25,000,000!'), a kind of living death. The Midas myth is the reaction of the Greek imagination to something that began in the seventh century B.C. and was probably unprecedented in history – the use of a single substance (precious metal) as a general means of payment and exchange, as well as a general measure and store of value – namely money. The spread of money was made easier by the invention of the practice of stamping pieces of the metal (coinage). It may have been the Lydians, with their vast supplies of precious metal, who invented coinage, but the first people to use it generally, in everyday as well as in large-scale transactions, were the Greeks. The Greek polis of the sixth century B.C. was probably the first monetised society in history. It also produced tragedy and philosophical cosmology, and we shall see that there may be interesting connections between these three developments.

Money and tyranny

But if the Greeks were the first to use money (in the strict sense defined above), why was the mythical embodiment of the negative consequences of money, Midas, not Greek? Partly because Asian potentates might indeed possess huge amounts of precious metal. But also because the Greeks were very early sensitive to the power money bestows on whoever possesses a huge amount of it. Of this power the exotic extreme, for the Greek imagination, is the Asian potentate. The first 'tyrant' was the Lydian Gyges 'of much gold'.

Another example of the tendency to associate what is disruptive with what is foreign is in Sophokles' *Antigone*: Kreon furiously accuses the seer Teiresias of being corrupted by 'electrum from Sardis' and 'Indian gold'. As well as being false, the accusation is hypocritical coming from the 'tyrant' Kreon, for it was widely believed that tyranny is (as Sophokles makes Oedipus remark) acquired by money – that is what was said about the Athenian tyranny of Peisistratos, for example. All the negative consequences of money that Kreon bemoans earlier in the play – it destroys cities, drives men from their homes, makes good men do bad things, causes extreme impiety – turn out to apply, in a sense, to himself. Money gives the individual a new and astonishing kind of universal power. With money he can obtain a wide range of goods and services, and in doing so is less dependent than before on personal relations (friendship, kinship, dependency, overlordship, etc.), being able to rely instead on the impersonal power of what is in his pocket. Money increases individual autonomy, and that was no doubt one of the motives for its adoption. But this new freedom is not all positive. One of the

negative consequences of having lots of money – again something that the Greeks tended to associate with tyrants – is its tendency to isolate the individual, who precisely because he possesses its liberating universal power is cut off even from his own closest family. Money is not just a technical device to make trade easier. As a universal means and universal aim it threatens other values and profoundly changes social relations.

The concern of tragedy with money is anachronistic in the sense that the themes of tragedy are taken from the heroic age, when money was not yet in use (there is no money, in the strict sense, in Homer). But tragedy is the first genre to emerge after the use of money had become commonplace in the polis, and represents a synthesis of this brave new world with the traditional world of myth. Tragedy developed in the cult of Dionysos, a cult which which in Euripides' *Bacchae* is resisted by the 'tyrant' Pentheus. Like Kreon, Pentheus undergoes extreme isolation, even from his own closest family (in striking contrast to the 'psychic solidarity' of the Dionysiac chorus), and accuses Teiresias of taking bribes. When offered a sight of the maenads on the mountain, he says that he would give a huge sum of money to see them. A little later, as he emerges dressed as a maenad, the chorus of Dionysiac women sing that wisdom, and the best gift of gods to humankind, is not power over your enemy but the happiness that is bestowed by Dionysiac initiation and that belongs to every day. The permanence of this happiness contrasts, they emphasise, with the temporary success people strive for when they compete for wealth and power.

Money and the universe

The other distinctively Greek product that I said I would relate to money is philosophical cosmology. What I mean by this is the idea of the universe as an intelligible order subject to uniform impersonal power. This conception is first found in early sixth-century Miletos, in the ideas of Thales, Anaximander and Anaximenes. They all imagined that everything is composed of a single substance (for Thales this was water, for Anaximander 'the unlimited', for Anaximenes air). And the same idea, or something like it, was held by several philosophers who came after them. It is a strange idea, suggested neither by observation nor experiment, and in my view its origin has never been properly explained. There is, to be sure, a contribution from the ancient myth, found in Hesiod's *Theogony* (a poem concerned with the origins of the gods), of a common origin for all things. But the idea of everything consisting of the same thing is new. Herakleitos of Ephesos (not far from Miletos) says that 'all things are an exchange for fire and fire for all things, just as goods are for gold and gold for goods'. Although this is a simile, it is I think an indication of one of the sources for the idea that all things consist of one thing. In a monetised society, all commodities can be related to each other in a single system by their monetary value. The same thing seems to inhere in everything, be it a salted fish or a Michelangelo, and may indeed seem to be the

most important thing about it, its essence. This is something we take for granted, but was relatively recent in the time of Herakleitos. Economic activity, the exchange of commodities for money, is governed by numerical proportion (ten salted fish equals three drachmas equals one pair of shoes). Similarly, for Herakleitos the process of cosmic exchange occurred 'according to the logos', which means a numerical formula or proportion and could also mean a monetary reckoning or account. It is generally understood that societies who do not form their idea of the cosmos from scientific observation and experiment have a tendency to form it instead from their own social relations, projected onto the universe. What am suggesting is that this is no less true of what is generally called the very first stage of scientific thought. The unprecedented way of understanding the world emerged from an unprecedented form of society. What is distinctive about Miletos in the early sixth century is that it was by far the most important commercial centre of the Aegean and was in the process of adopting the new invention of coinage.

The process of this emergence is of course very complex, and the correspondences between money and the philosophers' notion of a single substance are too numerous to deal with here. Let me confine myself to two important aspects. First, this philosophical cosmology differ from mythical cosmology in that it sees the world in terms of impersonal order. What underlies and controls everything is not a personal deity but an impersonal substance. Similarly, what is radically new about a monetised society is that it seems dominated by an impersonal substance. The world of Homer is, like the world of myth generally, dominated by powerful people, or gods and goddess imagined as like powerful people. But success in the Peloponnesian war depends to a large extent, as the Athenians themselves are aware (to judge from the writings of Thucydides), on money. It is true that individuals may remain powerful even in a monetised society, but their power often depends on the possession, by themselves or their organisation, of money (Well done George W. Bush!). What is certain is that the advent of a single, all-underlying, powerful substance had no precedent in history. The impersonal power of money, in my view, contributes to the development of the idea of an impersonal cosmic order, as well as to the isolated autonomy of the tragic hero.

The second important aspect is the abstractness of the substance. The monetary value that seems to inhere in the salted fish or the Michelangelo is abstract. This produces the paradox that what may seem (especially to the trader) to be the most important thing about something, its essence – that is to say its price – cannot be directly perceived. Money, whose only function is to embody this abstraction, is the first substance in history to be both concrete and abstract. Similarly, Anaximander's 'unlimited', from which all other things emerge and into which they perish, is all-embracing and all-powerful but imperceptible. The idea that what is truly real is imperceptible will be taken further by later philosophers, notably Parmenides and Plato.

If I am right, is not recognition of the subtle influence of money on tragedy and philosophy, which we like to imagine as beyond its unpleasant influence, rather depressing? In a way, yes. But this is easily outweighed by the pleasure of understanding interconnection, the everyday origins of certain imposing or mystifying preconceptions. And it may help us to a general insight into how the economic relations of society influence its most fundamental ideas. That influence is always there, unrecognised, in all societies – including our own, where it is harder to disentangle than it is in the Greek polis.

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